

## Message Text

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ACTION AF-08

INFO OCT-01 ISO-00 EB-08 COME-00 OPIC-06 INT-05 AID-05

XMB-04 CIAE-00 INR-07 NSAE-00 DODE-00 /044 W

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FM AMEMBASSY MBABANE

TO SECSTATE WASHDC 1130

INFO AMCONSUL JOHANNESBURG

AMEMBASSY GABORONE

UNCLAS MBABANE 0357

PASS USDOC AND OPIC

E.O. 11652: N/A

TAGS: EMIN, WZ

SUBJECT: BARITE MINING IN SWAZILAND

REF: (A) 76 MBABANE 0319; (B) 76 JOHANNESBURG 0543; (C)

JOHANNESBURG 0246

1. RRO SWEETWOOD VISITED MBABANE FEBRUARY 9 AND 10 FOR PURPOSE OF INFORMING GOS OF RENEWED INTEREST ON PART OF WILLIAM JORDAN (REFTEL C) IN SWAZILAND BARITES IN LIGHT OF RECENT DEVELOPMENTS.

2. PRELIMINARY DISCUSSIONS WERE HELD FEBRUARY 10 AT MINISTRY OF INDUSTRY, MINES AND TOURISM, WITH UNDER SECRETARY SHABANGU, GOS CHIEF MINING ENGINEER WINDSOR. GOS GEOLOGIST CLARKE, AND EMBOFF.

3. JORDAN WISHES TO PURCHASE MINIMUM OF 2,000 TONS PER MONTH OF MEDIUM GRADE SWAZI BARITES TO MIX WITH RECENTLY DISCOVERED HIGH GRADE BARITE ORES FOUND IN NAMIBIA FOR SALE IN SOUTHERN AFRICA AND OTHER REGIONS.

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RM PRIOR OWNER OF BARITE MINE HAS DECLARED BANKRUPTCY AND GOS/SWAZI NATION ARE NEGOTIATING WITH UNSPECIFIED SYNDICATE TO RE-OPEN MINE. (FY, SYNDICATE IS REPORTED NOT TO HAVE MINING EXPERTISE BUT POSSESS SUFFICIENT CAPITAL TO REOPEN AND OPERATE MINE.)

5. JORDAN IS NOT PREPARED AT THIS TIME TO TAKE OVER MINING

OPERATIONS AND WISHES ONLY TO PURCHASE PROCESSED BARITE. SWEETWOOD OFFERED HIS GOOD OFFICES IN ATTEMPT TO PUT GOS IN CONTACT WITH SEVERAL U.S. MINING FIRMS IF CURRENT GOS NEGOTIATIONS WITH SYNDICATE ARE UNSUCCESSFUL.

6. PROBLEMS IN EXPANSION OF BARITE PROJECT ARE AS FOLLOWS:

A. IF CURRENT NEGOTIATIONS TO KEEP NEAR-DEPLETED SWAZI IRON ORE MINE OPERATING BEYOND END OF CURRENT CONTRACT (18 MONTHS TO RUN) ARE UNSUCCESSFUL, THE SECTION OF THE RAILROAD RUNNING NEAR THE BARITE MINE WOULD BE ECONOMICALLY UNVIALE AND CLOSED DOWN. BARITE WOULD HAVE TO BE HAULED BY TRUCK FROM PROCESSING PLANT TO MANZINI RAILWAY DEPOT FOR SHIPMENT TO MAPUTO.

B. BARITE PROCESSING PLANT IS AT PRESENT ONLY A PILOT PLANT AND IS INCAPABLE OF HANDLING 2,000 TONS PER MONTH. A NEW PLANT WOULD HAVE TO BE BUILT AND DUE TO THE HILLY TOPOGRAPHY OF THE MINE AREA THE PLANT WOULD PROBABLY BE LOCATED NEAR THE CURRENT RAILWAY, EVEN IF THE LINE WAS EVENTUALLY CLOSED DOWN.

7. AT PRESENT, ""PROBABLE" RESERVES ARE 20,000 - 30,000 TONS, WITH ESTIMATED" RESERVES OF 300,000 TONS WITHIN THE LEASE AREA HELD BY THE PRIOR OWNERS. GEOLOGICAL PROJECTIONS INDICATE THAT SWAZILAND MAY HAVE BARITE RESERVES IN EXCESS OF ONE MILLION TONS. HOWEVER, MUCH OF THE ESTIMATED BARITE IS LOCATED IN AREAS ADJACENT TO, BUT NOT INCLUDED IN, AREA COVERED BY CURRENT LEASE. UNLESS GOS IS WILLING TO INCLUDE UNCLASSIFIED

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ADJACENT AREAS IN INITIAL NEGOTIATIONS, POTENTIAL INVESTORS MAY BE RELUCTANCT TO BECOME INVOLVED IN SWAZILAND.

8. COMMENT: AS INDICATED REF (A), MAJOR OBSTACLE TO INCREASING BARITE PRODUCTION WAS MISMANAGEMENT ON PART OF PREVIOUS MINE OWNER. WITH NEW OWNERS, EMBASSY BELIEVES THIS IS AN EXCEPTIONALLY GOOD OPPORTUNITY FOR OPIC/USDOC TO EFFECTIVELY PROMOTE U.S. INVESTMENT AND TRADE IN SWAZILAND AND PROVIDE GOS WITH ALTERNATIVE TO SOUTH AFRICA FOR MINING TECHNOLOGY AND PROCESSING PLANT. WACHOB

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## Message Attributes

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**Review Markings:**  
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